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**Build The Future, Inc.**  
**d/b/a Louisiana Business Partnership**  
**Baton Rouge, Louisiana**  
**June 30, 1997**

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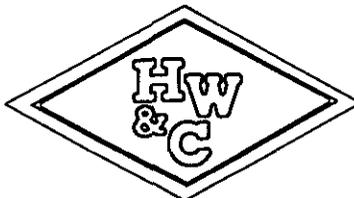
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# HAWTHORN, WAYMOUTH & CARROLL, L.L.P.

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RETIRED  
ROBERT J. ZERNOTT, C.P.A.  
RETIRED

September 19, 1997 (except for Note 3, as to which  
the date is November 12, 1997)

## Independent Auditor's Report

Board of Directors  
Build The Future, Inc.  
d/b/a Louisiana Business Partnership  
Baton Rouge, Louisiana

Members of the Board:

We have audited the accompanying statement of financial position of

**Build The Future, Inc.**  
**d/b/a/ Louisiana Business Partnership**  
**Baton Rouge, Louisiana**

as of June 30, 1997 and the related statements of activities, changes in net assets, cash flows and functional expenses for the eleven months then ended. These financial statements are the responsibility of the Build The Future, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in, Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Build The Future, Inc., d/b/a Louisiana Business Partnership, as of June 30, 1997, and the changes in its net assets and cash flows for the eleven months then ended in conformity with generally accepted accounting principles.

As discussed in Note 3 to the financial statements, certain errors resulting in overstatement of previously reported expenses for the eleven months ended June 30, 1997, were discovered by management of the Company during the current year. Accordingly, the financial statements have been restated June 30, 1997 to correct the error.

In accordance with Government Auditing Standards, we have also issued a report dated September 19, 1997, (except for Note 3, as to which the date is November 12, 1997) on our consideration of Build The Future, Inc. d/b/a Louisiana Business Partnership's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts and grants.

Yours truly,

*Hawthorn, Waymouth & Carroll, L.L.P.*

**Build The Future, Inc.**  
**d/b/a Louisiana Business Partnership**  
**Statement of Financial Position**  
**June 30, 1997**

**A s s e t s**

<b>Current Assets</b>	
Cash	\$230,560
Grant receivable	<u>4,740</u>
	<u>235,300</u>
<b>Noncurrent Assets</b>	
Computer equipment	46,865
Less accumulated depreciation	<u>1,521</u>
	<u>45,344</u>
<u>Total assets</u>	<u>280,644</u>

**L i a b i l i t i e s   a n d   N e t   A s s e t s**

<b>Current Liabilities</b>	
Accounts payable	\$230,297
<b>Net Assets</b>	
Unrestricted	<u>50,347</u>
<u>Total liabilities and net assets</u>	<u>280,644</u>

The accompanying notes are an integral part of these statements.

**Build The Future, Inc.**  
**d/b/a Louisiana Business Partnership**  
**Statement of Activities and Changes in Net Assets**  
**Eleven Months Ended June 30, 1997**

	<u>Unrestricted</u>
<b>Public Support and Revenue</b>	
Grants	
State grants	\$689,596
Interest income	<u>6,088</u>
<u>Total public support and revenue</u>	<u>695,684</u>
<b>Expenses</b>	
Salaries/contract personnel	94,513
Personnel travel	11,021
Publicity/marketing	12,460
Operating expenses	49,413
Office equipment	7,135
Professional services	5,773
Reward/incentives	<u>465,022</u>
<u>Total expenses</u>	<u>645,337</u>
<b>Increase in net assets</b>	<u>50,347</u>
<b>Net Assets, beginning of period</b>	<u>          </u>
<b>Net Assets, end of period</b>	<u>50,347</u>

The accompanying notes are an integral part of these statements.

**Build The Future, Inc.**  
**d/b/a Louisiana Business Partnership**  
**Statement of Cash Flows**  
**Eleven Months Ended June 30, 1997**

	<u>Unrestricted</u>
<b>Operating Activities</b>	
Increase in net assets	\$50,347
Adjustments to reconcile net assets to net cash provided by operating activities	
Depreciation	1,521
(Increase) in grant receivable	(4,740)
Increase in accounts payable	<u>230,297</u>
Net cash provided by operating activities	277,425
<b>Cash Flows From Investing Activities</b>	
Purchase of equipment	<u>(46,865)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	230,560
<b>Cash and Cash Equivalents, beginning of period</b>	_____
<b>Cash and Cash Equivalents, end of period</b>	<u>230,560</u>

The accompanying notes are an integral part of these statements.

**Build The Future, Inc.**  
**d/b/a Louisiana Business Partnership**  
**Statement of Functional Expenses**  
**Eleven Months Ended June 30, 1997**

	<u>Supporting Services</u>	<u>Program Services</u>
<b>Salaries/Contracts Personnel</b>		
Executive director		\$30,998
Field coordinator		46,733
Data base/finance coordinator		6,385
Miscellaneous contract personnel		7,197
Payroll taxes		<u>3,200</u>
		<u>94,513</u>
<b>Personnel Travel</b>		
Personnel travel		4,078
Project manager		4,201
Field coordinator		2,228
Miscellaneous contract personnel		<u>514</u>
		<u>11,021</u>
<b>Publicity/Marketing</b>		
Give-away items		1,740
Business cards		2,139
Business meetings		1,499
Seal design/production		6,209
Logo design/production		<u>873</u>
		<u>12,460</u>
<b>Operating Expenses</b>		
Workers compensation insurance	\$1,541	
Long distance/voice mail service	346	
Cleaning service	324	
Postage	1,386	
Printing	25,897	
Training seminar materials	400	
Professional publications	89	
Rent/utilities/parking/copier	11,496	
Telephone/computer/Internet	4,564	
Office supplies	1,849	
Depreciation	<u>1,521</u>	
	<u>49,413</u>	
<b>Office Equipment</b>		
Computer and printer	822	
Computers/software/pagers	1,428	
Office furniture	216	
Furniture lease	3,895	
Miscellaneous	<u>774</u>	
	<u>7,135</u>	
<b>Professional Services</b>		
Legal	1,896	
Accounting	1,410	
Computer consultant	<u>2,467</u>	
	<u>5,773</u>	

The accompanying notes are an integral part of these statements.

**Build The Future, Inc.**  
**d/b/a Louisiana Business Partnership**  
**Statement of Functional Expenses**  
**Eleven Months Ended June 30, 1997**

	<b><u>Program Services</u></b>
<b>Teacher/Student Incentives</b>	
Substitute teacher program	\$716
Computers	237,486
Software	1,775
Miscellaneous servicing	240
Teacher conference fees	48,222
Overhead projectors	9,728
DECA Teaching Materials	2,792
Funding local DECA events	5,714
Funding student - DECA Conference	23,242
Funding student - National DECA Conference	69,600
Other	<u>19,630</u>
	<b><u>419,145</u></b>
<b>School Administrator Incentives</b>	
<i>In-service training program</i>	3,294
School incentives earned	<u>9,050</u>
Cleaning service	<u>12,344</u>
<b>National Skills Standards Development</b>	
Workshop training	518
Skills test development	<u>20,000</u>
	<b><u>20,518</u></b>
<b>Core Teach Incentive</b>	
Stipend/brainstorming sessions	<u>4,414</u>
<b>School Recognition</b>	
Set The Pace Schools Rewards	97
Special project recognition	903
Set The Pace luncheon	2,907
Other	<u>4,694</u>
	<b><u>8,601</u></b>
	<b><u>465,022</u></b>

The accompanying notes are an integral part of these statements.

**Build The Future, Inc.**  
**d/b/a Louisiana Business Partnership**  
**Notes to Financial Statements**  
**June 30, 1997**

**Note 1-Summary of Accounting Policies**

**A. Nature and Purpose**

Build The Future, Inc. d/b/a Louisiana Business Partnership is a not-for-profit organization formed August 13, 1996 for educational purposes, including education and awareness of retail industry and providing for marketing education of students in Louisiana high schools. The organization is a party to a cooperative endeavor agreement with the Louisiana Department of Economic Development Corporation, a Louisiana Public Corporation, for the purpose of administering enhancements to current or future Marketing Education Classrooms in Louisiana high schools by creating a competitive learning environment that regards creativity, leadership, role-modeling, and teamwork by which the organization encourages all participants to improve their current level of involvement with DECA/Marketing Education. Revenues are derived from a contract with the Louisiana Department of Economic Development Corporation.

**B. Method of Accounting**

The financial statements of the Organization are prepared on the accrual basis recording revenue when earned and expenditures when incurred.

**C. Use of Estimates**

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**D. Presentation of Statement of Cash Flows**

For purposes of the Statement of Cash Flows, the organization considers all certificates of deposits to be cash equivalents.

**E. Income Taxes**

No provision is made for income taxes as Build The Future, Inc. d/b/a Louisiana Business Partnership has an application pending to be a tax exempt, not-for-profit organization under Section 501(c)(6) of the Internal Revenue Code.

**F. Noncurrent Assets**

Equipment is recorded at cost; or, if donated, at fair market value at date of donation. Depreciation is provided for, principally on a straight-line basis in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives.

**Build The Future, Inc.**  
**d/b/a Louisiana Business Partnership**  
**Notes to Financial Statements**  
**June 30, 1997**

**Note 1-Summary of Accounting Policies (Continued)**

**G. Lease**

The Organization conducts its operations in leased office space classified as operating lease. The minimum rental payments under such operating lease which expires June 30, 1998 is \$18,000.

The rent expense for leased facilities in 1997 was \$1,500.

**Note 2-Functional Allocation of Expenses**

The costs of providing the various programs, fund-raising and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and fund-raising activities benefited.

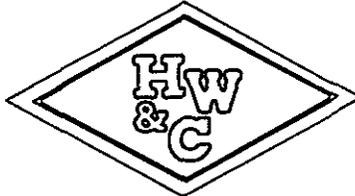
**Note 3-Corrections to Financial Statements**

The following corrections were made subsequent to the original issuance of the financial statements:

	<b><u>Previously Reported</u></b>	<b><u>Correction</u></b>	<b><u>Restated</u></b>
Cash	\$228,941	<u>\$1,619</u>	\$230,560
Accounts payable	230,692	(395)	230,297
Unrestricted net assets	48,333	<u>2,014</u>	50,347
		<u>1,619</u>	
Salaries/Contracts Personnel			
Payroll taxes	3,595	(395)	3,200
Office Equipment			
Computers/software/pagers	1,506	(78)	1,428
Office furniture	432	(216)	216
Teacher/Student Incentives			
Computers	238,791	(1,305)	237,486
Overhead projectors	9,729	(1)	9,728
Funding local DECA events	5,733	<u>(19)</u>	5,714
		<u>(2,014)</u>	

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September 19, 1997 (except for Note 3, as to which  
the date is November 12, 1997)

**Report on Compliance and on Internal Control over Financial  
Reporting Based on an Audit of Financial Statements Performed  
in Accordance with Government Auditing Standards**

Board of Directors  
Build The Future, Inc.  
d/b/a Louisiana Business Partnership  
Baton Rouge, Louisiana

Gentlemen:

We have audited the financial statements of

**Build The Future, Inc.  
d/b/a Louisiana Business Partnership  
Baton Rouge, Louisiana**

as of and for the eleven months ended June 30, 1997, and have issued our report thereon dated September 19, 1997 (except for Note 3, as to which the date is November 12, 1997).

We conducted our audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Build The Future, Inc., d/b/a Louisiana Business Partnership's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial

In planning and performing our audit, we considered Build The Future, Inc., d/b/a Louisiana Business Partnership's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and state awarding agencies. However, this report is a matter of public record and its distribution is not limited.

Yours truly,

*Hawthorne, Waymouth & Carroll, L.L.P.*